



State of Utah

Department of Natural Resources

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Executive Director

Division of Oil, Gas & Mining

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Division Director

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Lieutenant Governor

December 3, 2004

Jesse Hunt
Red Mud Mining Company
372 North Main
P.O. Box 17
Gunlock, Utah 84733

Subject: Notice of File Status, Red Mud Mining Company, Red Mud Mine,
S/053/033, Washington County, Utah

Dear Mr. Hunt:

On October 12, 2004, we sent you a letter stating that Red Mud Mining Company's Red Mud Mine was closed and the file was officially retired, due to the fact that the 2004 permit fee had not been received at that time. You were informed that no further mining or exploration type of activity was authorized at this location. You were further informed that if you did not agree with the Division closing your Red Mud file, you were to contact the Division by October 22, 2004.

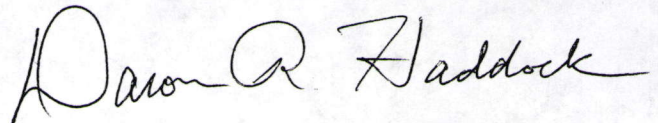
On November 19, 2004, we received your \$150.00 permit fee along with the billing receipt, which was due July 30, 2004. Although no cover letter was attached explaining why you were sending the payment after you had been notified that the file had been closed, we assume that you want the Red Mud mining permit to remain active. We will, therefore, reinstate your file #S/053/033 and will return it to "active" status. Mining operations may continue as outlined in your original 1992 notice, provided you still have a valid permit with the Bureau of Land Management. Please contact Rody Cox of the St. George BLM field office to assure that your mining permit with that office is still valid.

The Division's Enforcement Rules became effective June 1, 2004. Therefore, in the future, any infractions of the mining rules, could result in an immediate violation being issued. Violations now carry fairly stiff penalties. We hope to avoid having to take enforcement action, but we are now bound by legislative laws. Please keep your permit status in good standing at all times.

Jesse Hunt
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If you have any questions or concerns regarding this letter, please contact me at (801) 538-5325 or Doug Jensen at (801) 538-5382.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock". The signature is fluid and cursive, with the first name "Daron" and last name "Haddock" clearly legible.

Daron R. Haddock
Permit Supervisor
Minerals Regulatory Program

DRH:DJ:jb

cc: Rody Cox. BLM. St. George FO (UTU-70004)
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